

The Commonwealth of Massachusetts
PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION
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POLICY NO: 05 – 001
Superseding and Replacing No. 04-002

Travel/Education

The Public Employee Retirement Administration Commission (Commission) must perform its oversight and management of affairs in an efficient, effective and informed manner. The Commission therefor establishes this policy to further its efforts in providing the appropriate level of authority and responsibility over the staff and knowledge, background and education on the issues coming before it.

The Commission establishes the following travel and education policy for use by the Commission and staff in the performance of their duties. The Commission recognizes the importance of continuing education for its highly professional staff and management; the need for more informed decision making process by the Commission through a better informed Commission; the need for a broader public pension perspective by the Commission, gained through the association with other State pension boards and administrators; and the ongoing need for outreach to the Massachusetts local pension plans by staff, management and the Commission. These objectives can be accomplished with the assistance of a reasonable, efficient and effective travel and education policy.

Authorization for Travel and Travel Related Expenditures

The Commission shall pay for or make reimbursement to Commissioners and the staff of the Commission for all travel and lodging expenses.

1. Travel and related expenses of Commissioners are to be approved by the Commission in advance of the travel.
2. Requests for travel by Commissioners shall be placed on a meeting agenda, discussed in open session and approved by a majority vote of the Commissioners present and voting. The meeting minutes shall reflect the Commission's action and the extent of the authorization.
3. The nature of the travel, its purpose and estimated cost shall be outlined on a Travel Authorization Form. The form must include a statement by the traveler, certifying that the expenses were incidental to the approved travel. Brochures for seminars or other presentations should accompany the request for travel where available.

4. A statement describing the presentation, conference or seminar should be entered into the minutes of the meeting following the travel.
5. The Commission has authorized the Executive Director to approve travel for other members of the Commission's staff, pursuant to the Personnel Manual and consistent with this Policy.
6. The Chairman is authorized to approve travel for the Executive Director, pursuant to the Personnel Manual and consistent with this Policy.

Required Documentation for Reimbursement

Commissioners are to complete the Reimbursement Request Form in connection with any requests for reimbursement. The Commissioner must certify that the expenses were incurred and were necessary and incidental to the approved travel. All requests for reimbursement shall be submitted within a reasonable time after the expenses are incurred, but no later than within 30 days.

1. All requests for reimbursement shall be completed and properly approved after incurring any travel, transportation, meal or other travel related expenses and before reimbursement takes place.
2. Original itemized receipts must be submitted for all expenses including transportation, lodging and other expenses incidental to travel.
3. Receipts are required for individual expenses over \$10.00. Travel-related expenses that are under \$10 (such as gratuities) should be fully described and reimbursed based on the traveler's certification that the expenses were necessary and incidental to the approved travel.
4. Any travel related expenditures which have not been properly documented or approved or are not in conformity with this Policy will be rejected or adjusted.
5. Reimbursement shall only be made to the person who actually made payment for the expense.
6. The Reimbursement Request Form must be signed by the person seeking reimbursement and signed under the pains and penalties of perjury.

Travel Arrangements

The Executive Director will designate a Commission staff member who is responsible for making all travel arrangements and for assisting Commissioners and Commission staff in completing Authorization and Reimbursement Request Forms. When making travel arrangements, government rates or business rates will be secured.

An extended stay may be authorized if the net cost to the Commission will be lower. For example, if staying an extra day and the cost of accommodations and meals for that extra day results in a net savings to the Commission due to lower airline fare, an extended stay can be authorized.

Transportation

Airline, train, bus, automobile rental, taxi, or other form of public conveyance, as cost effective, shall be utilized.

All travel must be at the lowest fare available, generally economy/coach fare. Not more than one interim stop each way and not more than one scheduled airplane transfer each way will be required. Reasonable departure and arrival times will be allowed.

The Commission will not make payment for airline club memberships.

The source of all rental cars will be a national rental agency. Acceptance of optional insurance coverage for rental cars is required. Rental cars will be either small or mid-size vehicles. The Commission staff member responsible for arranging travel will negotiate the rental rate. It is the traveler's responsibility to verify that the rate charged is the rate negotiated.

Any motor vehicle accidents, which occur while using a rental car while on Commission-approved travel, must be reported as soon as practicable, in writing to the appropriate authorities, with copies of all such reports provided to the Commission.

Reimbursement for fines or other expenses incurred as a result of traffic violations while on Commission-approved travel is not allowed. The traveler is personally responsible for such expenses.

Commissioners may use personal vehicles when such usage is cost effective and will be reimbursed at the rate of 40¢ per mile. Parking fees and tolls are also reimbursable expenses with properly submitted receipts.

Lodging

The Commission staff member designated as responsible for making travel arrangements shall make all reservations for accommodations in advance. Unless otherwise authorized in advance, the class of all accommodations will be standard. It is the traveler's responsibility to verify that the rate charged is the rate negotiated by the staff member.

Meals

If a Commissioner's travel requires him or her to be absent for more than 24 hours, he or she shall be reimbursed for meal expenses in an amount to exceed \$50.00 per day.

- Reimbursement for breakfast in the amount of \$10.00 will be allowed if return to the Commissioner's office or home is after 10:00 AM.
- Reimbursement for lunch in the amount of \$12.00 will be allowed if return to the Commissioner's office or home is after 2:00 pm but prior to 7:00 PM.
- Reimbursement for dinner in the amount of \$28.00 will be allowed if return to the Commissioner's office or home is after 7:00 PM.

Reimbursement in excess of the allowable amount in connection with travel to high-cost locations will be allowed if authorized in advance.

If the registration fees for a conference or seminar includes lodging and meals reimbursement will not be allowed.

Other Reimbursable and Non-Reimbursable Expenses

Commissioners will be reimbursed for gratuities paid in accordance with local custom, telephone expenses limited to Commission or business related calls, internet connections charges, costs for faxing and costs for necessary copying.

No reimbursement will be made for personal expenses, for example, in-room movies, mini-bar charges, gym fees, entertainment or recreational expenses, laundry and dry cleaning and any payments for personal services.

No reimbursement will be made for alcoholic beverages.

Cash Advances

Cash advances in connection with anticipated expenses will not be allowed.

Personal Travel Combined with Board Related Travel

If personal travel is combined with Commission-related travel, the personal portion of the trip will be clearly identified and paid for by the traveler. Travel expenses or any other expenses incurred by a spouse, relative, friend or other individual accompanying a Commissioner or Commission staff member will be considered to be personal travel and will, in no event, be a proper expense of the Commission.

Payments or Reimbursements for Expenses by Third Parties Strictly Prohibited

The providing to or receipt by a Commissioner or Commission staff member of anything of substantial value from any person, firm, partnership or other entity which may be reasonably expected to seek to do business with or is seeking to do business with or presently is doing business with a Retirement Board or with the Commission or any person, firm or other entity that solicits or makes referrals or which may be reasonably expected to solicit or make referrals of any client on behalf of such a person, firm, partnership or other entity is prohibited. The providing to and the receipt of anything of substantial value from such a

person, firm, partnership or other entity indirectly through any person, firm, association, organization or other entity is prohibited.

Under no circumstances can a Commissioner or Commission staff member receive reimbursement or any other payment or compensation from a third party.

Violation of Commission Travel Policy

Any person or entity that violates this Policy or Retirement Board travel regulations adopted and approved by the Commission shall be deemed to have violated the provisions of 840 CMR 17.00 and shall be subject to removal as a qualified investment manager or consultant pursuant to 840 CMR 17.04(10). In addition, the Commission shall not grant an exemption pursuant to 840 CMR 19.02 or a qualification pursuant to 840 CMR 26.04 if any person or entity that has violated this Policy or Retirement Board travel regulations approved by the Commission is the subject of the filing pursuant to those provisions.

Adopted at Commission meeting on September 22, 2005.